

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 913 – SB 1811

March 14, 2011

SUMMARY OF AMENDMENTS (004764, 004876): Deletes and replaces an erroneous statutory reference in amendment 004764 to refer to compensation allowed to members of boards of public utilities.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures – \$365,400*

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase Local Expenditures – \$365,400/Permissive

Assumptions applied to amendments:

- Amendment 004764 makes all local expenditures permissive.
- According to the Tennessee Municipal Technical Advisory Service, 29 municipalities have municipal electric or public utility boards. Each board has approximately 7 members resulting in 203 members (7 members x 29 boards) statewide.
- Local boards meet monthly.
- Increasing by \$100 the monthly travel and expense allowance for board members will result in a permissive increase to local government expenditures of \$243,600 (\$100 x 203 x 12 months).
- Increasing by \$50 the monthly supplemental allowance for board members will result in a permissive increase to local government expenditures of \$121,800 (\$50 x 203 members x 12 months).

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- The total permissive increase to local government expenditures will be \$365,400 (\$243,600 + \$121,800).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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